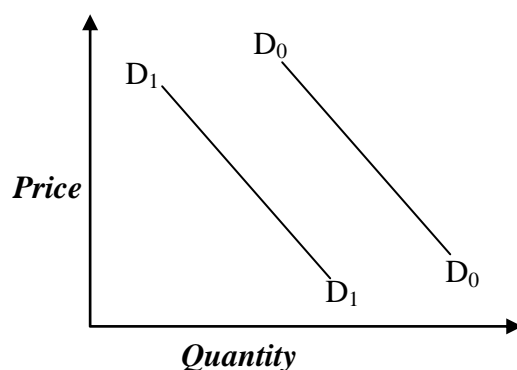


16- DEMAND AND SUPPLY

The topic involves:-

- **Definition of demand and discussing factors that influence the demand for a product**
- **Identify various types of demand**
- **Discuss the concept of demand and demand curve and derive demand curve from demand schedule.**
- **Explain clearly, movement along a demand curve and a shift in demand curve.**
- **Define elasticity and categorize elasticity of demand and explain importance of the concept.**
- **Define supply and discuss factors that influence the supply of goods and services.**
- **Define supply schedule and curve; and derive supply curve from supply schedule.**
- **Differentiate between shift and movement along a supply curve.**
- **Define elasticity of supply and their various categories.**
- **Meaning of equilibrium price, point and quantity.**

1. Outline **four** factors that influence both demand and supply of a commodity
2. State **four** factors that may result into an increase in the supply of a product in the market
3. State **three** circumstances under which a fall in the price of a commodity would lead to a fall in demand for a commodity
4. The following graph shows a shift in demand from D_0D_0 to D_1D_1



State **four** possible reasons for the above shift

5. The table below represents a farmer's supply of cabbage in a local urban centre

| Year | Quantity of cabbages (Kgs) |
|-------------|-----------------------------------|
| 2001 | 20,000 |
| 2002 | 15,000 |
| 2003 | 10,000 |

Assuming the price remained constant state **four** reasons for the trends in the supply of cabbages

6. Outline **four** circumstances that would cause a commodity to have inelastic demand
7. State **four** causes of abnormal demand
8. Explain **four** circumstances under which the law of demand may be undermined
9. The table below shows changes in price of a product X and the changes in quantity demanded in Product X and product Y

| Price of x | Demand for x | Demand for Y |
|------------|--------------|--------------|
| 140 | 20,000 | 15,000 |
| 150 | 16,000 | 19,000 |

Calculate the loss elasticity of demand of product Y